

VZCZCXYZ0006  
RR RUEHWEB

DE RUEHIN #0595/01 0740901  
ZNR UUUUU ZZH  
R 150901Z MAR 07  
FM AIT TAIPEI  
TO RUEHC/SECSTATE WASHDC 4471  
INFO RUEHBJ/AMEMBASSY BEIJING 6475  
RUEHHK/AMCONSUL HONG KONG 7721

UNCLAS AIT TAIPEI 000595

SIPDIS

SIPDIS

DEPARTMENT FOR INR/R/MR, EAP/TC, EAP/PA, EAP/PD - LLOYD NEIGHBORS  
DEPARTMENT PASS AIT/WASHINGTON

E.O. 12958: N/A

TAGS: [OPRC](#) [KMDR](#) [KPAO](#) [TW](#)

SUBJECT: MEDIA REACTION: President Chen's "Four Wants"; Six-Party Talks; U.S.-Iran

¶1. Summary: Taiwan's newspapers March 15 focused their coverage on local banks' disclosure of the names of defaulters whose bad debts exceed NT\$100 million [US\$3.07 million], in accordance with the regulation of the Financial Supervisory Commission (FSC).

¶2. In terms of editorials and commentaries, the pro-independence "Liberty Times" editorialized that the Taiwan authorities should not "want" development but push for Taiwan business people's investment in China at the same time. A column in the pro-status quo "China Times" said that South Korean President Roh Moo-hyun's remarks correctly described the sequence of approaches to establish a peace and security mechanism in Northeast Asia and addressed potential problems that the mechanism might face. An editorial in the pro-unification, English-language "China Post" said that the U.S.-Iran conference is a good beginning for bilateral relations and world peace. End summary.

¶3. President Chen's "Four Wants and One Without"

A) "Pushes for Openness to China are Contradictory to the Remarks [of President Chen]: 'Taiwan Wants Development'"

The pro-independence "Liberty Times" [circulation: 600,000] editorialized that (03/15):

"... But we have to remind the president, since Taiwan is substantially independent, 'the want for development' is the fundamental condition for the other three 'wants.' If Taiwan ceases its development or does not develop as well as other countries do, the substantial independence that Taiwan now enjoys will be inevitably threatened, and name changes and a new constitution will become illusory and meaningless. Regrettably, when the government pushes for name changes of its state-owned enterprises, it also pushes for openness for Taiwan business people to invest in China. The result is that ... Taiwan business people are getting richer, and that China is becoming more powerful, while the capital that Taiwan people control is reduced. ... This contradicts Taiwan's appeal for development.

"We do not blindly oppose Taiwan industries moving westward. We oppose it that industries are moving westward blindly. We have never opposed cross-Strait trade, and the reason we do not oppose it is because Taiwan business people have invested too much in China. We therefore ask the government to constrain them and deal with the matter. [About 90 percent of Taiwan's external investment for manufacturing is allocated in China, and the ratio of Taiwan's investment in China to Taiwan's GDP is many times higher than that of the United States, Japan, or South Korea.] ..."

¶4. Six-Party Talks

B) "Approaches to a Peace and Security Mechanism in Northeast Asia"

A column in the pro-status quo "China Times" [circulation: 400,000] said that (03/15):

"... South Korean President Roh Moo-hyun said on Tuesday that if the Six-Party Talks are to upgrade to a peace and security mechanism, then the sequence should be: first solve the North Korean nuclear issue, then establish the Korean Peninsula peace mechanism, and then a Northeast Asia peace mechanism. Roh's opinions are correct, since there will be no third outcome without the first two steps.

"There is a precondition for the solution of the North Korean nuclear issue. According to the current situation, it is possible for North Korea to freeze or even destroy its plutonium device, and the nuclear device in Nyongbyon will surely be abandoned. But will this solve the problem? There might be two developments: the United States implicitly allows North Korea to possess the nuclear weapons that it has produced but does not recognize the country as a member of the nuclear club; the United States insists that North Korea abandon completely any nuclear weapon or devices it owns, but North Korea might not agree. How to deal with the matter really depends on the U.S. bottom line.

"Regarding a peace mechanism in the Korean Peninsula, this should mean making changes to the Korean War Armistice Agreement. Theoretically, the Korean War has not ended peacefully. According to the legal principles, a peace treaty should be signed to end a war. The reason why the peace treaty was delayed is because South Korea wanted to sign it but North Korea did not agree. North Korea considered the South Korean army as being subordinate to the Allied Forces and not a direct belligerent entity. Therefore, a peace treaty should be signed by North Korea, the United States, and China. Since the relations between South Korea and North Korea have improved, North Korea might not boycott South Korea on the matter, and there is a high possibility for four parties to sign a peace treaty. If this stage is passed, it will be easier to talk about

peace and security in Northeast Asia.

"There should be no problem in upgrading the Six-Party Talks to a peace and security mechanism, since none of the six parties would oppose it. There will be no obstacle after the previous two steps are taken, and it will be best for Russia to be in charge of the working group of a Northeast Asia peace and security mechanism."

#### 15. U.S.-Iran

c) "U.S.-Iran Conference is a good Beginning"

The pro-unification, English language "China Post" [circulation: 30,000] said in its editorial (03/15):

"At a just-concluded international conference on the security of Iran, delegates from the United States and the Islamic Republic of Iran met and spoke to each other.

"... While U.S. and Iranian diplomats have met on the sidelines of various international events before, this marked the first time that both sides seriously engaged each other on a major issue of mutual concern since ties were broken off in 1979.

"Even though Washington and Tehran did not make any major progress on the Iraq issue, we are still glad to see the two sides are talking to each other.

"While Washington and Tehran have irreconcilable differences on many issues, they share a joint need for stability in Iraq, and should work together.

"Just as the United States did with mainland China in the early 1970s, Washington and Tehran should agree to disagree on sensitive issues so they can cooperate for the benefit of world politics."

YOUNG